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MILK MARKET INFORMATION
CHATTANOOGA TENNESSEE MARKETING AREA
Volume 3 June 1959 Number 11
Released Pursuant to §1000.27 (j) and §1000.85, USDA-AMS
Federal Order No. 100, 3756 Ringgold Road, Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator

MARKET SUMMARY - JUNE 1959

The Chattanooga Tennessee order MINIMUM uniform producer prices per cwt. f.o.b. Pool plants for milk testing 4.0% are: Base Milk $4.67, Excess Milk $2.99. The butterfat differential is 7.2 cents for each one-tenth of one percent above or below 4.0%. The Chattanooga Area Milk Producers Association reports a producer premium blend of 14 cents per cwt. for June Base milk deliveries or a net Base price of $4.81.

During June, 71.8% of the total producer milk was priced in Class I at $5.05 per cwt. with a butterfat differential of 7.5 cents and 28.2% was priced in Class II at $3.03 per cwt. with a butterfat differential of 6.7 cents. The percent of producer skim and butterfat priced in Class I was 72.2% and 61.8% respectively. Base milk was 87.6% and excess milk was 12.4% of the total producer deliveries. All excess milk and 18.1% of base milk was priced in Class II and 81.9% of base milk was priced in Class I.

The daily average deliveries of producer milk during June decreased 6.8% compared with May and increased 5.5% compared with June 1958. The daily average use of Class I milk decreased 2.9% compared with May and increased 10.6% compared with June 1958. The daily average base deliveries was 90.3% of the established base.

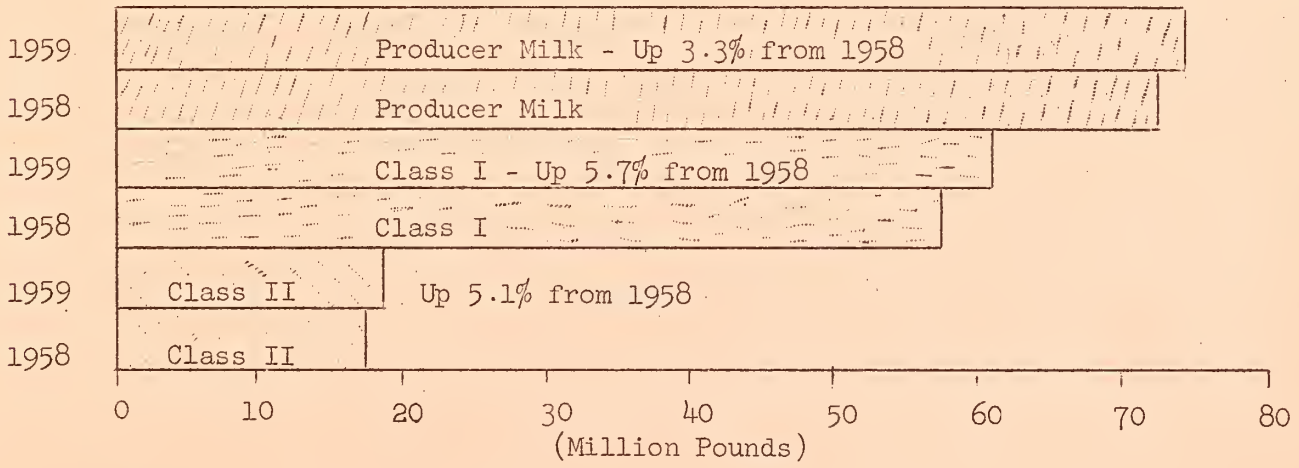
There were 395 farm tank producers or 53.5% of total producers who delivered 59.8% of total producer milk during June 1959 as compared with 204 farm tank producers or 25.9% of total producers who delivered 34.5% of producer milk in June 1958.

ACTIVITIES OF CHECK TESTERS June 1959: Plant Scales checked 4; Plant calls 110; Samples tested - Composite 1,433, Fresh 5,267, Finished Products 257.

NUMBER OF FARM PAYROLL ACCOUNTS

	1958							1959					
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Can	583	553	516	490	474	449	433	427	413	400	390	362	343
Tank	204	229	265	289	303	319	331	334	342	349	353	380	395
TOTAL	787	782	781	779	777	768	764	761	755	749	743	742	738
New	0	2	18	23	6	2	3	4	0	2	2	1	0
Quit	4	7	19	25	8	11	7	7	6	8	8	2	4

PRODUCER RECEIPTS COMPARED TO GROSS CLASS UTILIZATION
(JANUARY THROUGH JUNE)



COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	June'59	May '59	June'58
Number of Plants (Pool and Non-Pool)	19	19	21
GROSS RECEIPTS (DAILY)			
Producer Milk - Cans	162,393	183,973	250,539
Producer Milk - Bulk Tank	241,498	249,556	132,157
Total Producer Milk Pounds	403,891	433,529	382,696
% June '59 compared with:	100.0	93.2	105.5
Other Source Milk Pounds	8,013	10,051	5,476
Other Order Milk Pounds	27,714	25,486	23,650
TOTAL RECEIPTS MILK POUNDS	439,618	469,066	411,822
% June '59 compared with:	100.0	93.7	106.7
GROSS UTILIZATION (DAILY)			
Class I Milk Pounds:			
Fluid Milk	259,120	272,272	233,182
Buttermilk	40,101	38,415	37,670
Chocolate Milk	7,597	6,774	6,849
Fluid Skim	7,412	7,699	6,086
Fluid Creams	2,157	2,636	1,795
Bulk to Non-Handlers	1,933	707	2,331
Class I Shrinkage	1,274	1,018	1,430
Inventory Reclassification	(127)	(556)	(532)
Overstated Sales	(7)	-0-	-0-
Total Class I Milk	319,460	328,965	288,811
% June '59 compared with:	100.0	97.1	110.6
Class II Milk Pounds (Used to Produce)			
Butter	1,180	1,610	918
Cottage Cheese	12,813	12,776	11,905
Powdered and Condensed Milk	67,531	87,039	65,949
Ice Cream	32,315	30,299	28,289
Inventory Variation	(3,286)	(1,266)	7,144
Other	9,605	9,643	8,806
Total Class II Milk	120,158	140,101	123,011
% June '59 compared with:	100.0	85.8	97.7
TOTAL UTILIZATION CL. I AND CL. II MILK LBS.	439,618	469,066	411,822
% Producer Milk of Gross Class I	126.4	131.8	132.5
% Delivered Base of Gross Class I	110.8	112.8	119.3
% Delivered Base priced in Class I	81.9	80.7	77.1
% Producer Milk priced in Class I	71.8	69.1	69.4

JULY 1959 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	July'59	June'59	July'58
Basic Formula (See page 4)	$3.35	$3.34	$3.30
Plus (§ 1000.51(a)(1))	1.75	1.75	1.75
Supply-Demand Adjustment	0.00	(0.04)	(0.10)
Class I Price, 4.0% Butterfat	$5.10	$5.05	$4.95

Per § 1000.51(a)

Supply-Demand Comparison: 1st and 2nd preceding months: May and June	
Supply: Lbs. Producer Milk (May 13,439,384 and June 12,116,741)	25,556,125
Demand: Lbs. Net Class I Milk (May 9,547,819 and June 8,927,764)	18,475,583
Utilization Percentage: Producer milk divided by Class I	138
Standard Utilization Percentage: Range 134-138	138
Net Deviation Percentage: Utilization minus Standard Utilization	0
Supply-Demand Adjustment: 2 cents x 0 percentage points	$0.00

Since the supply in relation to the demand is within the desired standard, the price is not affected by the Supply-Demand provision.

SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR JUNE 1959
Based on 19 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test %	Cwt. Price @ Test	Value
Gross Class I		9,583,774	3.555		
Less Other Source		889,789	3.706		
Producer Milk Class I	71.8	8,693,985	3.539045	$4.704284	$408,989.75
Gross Class II		3,604,753	5.282		
Less Other Source		181,997	0.215		
Producer Milk Class II	28.2	3,422,756	5.551696	4.069636	139,293.71
TOTAL PROD. (Cl. I + Cl. II)	100.0	12,116,741	4.107581		548,283.46
Add Compensatory Payment Value					1,163.85
Add Overage Value					255.93
Add Inventory Reclassification Value					64.93
Add ½ Prod.-Settlement Fund Reserve					5,731.30
TOTAL VALUE AT TEST		12,116,741	4.107581		555,499.47
Less Test over 4% @ 7.2¢ per point		12,116,741	.107581	0.077458	9,385.39
TOTAL PRODUCER MILK VALUE AT 4% TEST		12,116,741	4.0		546,114.08
		Pounds	Price-4%	Value	
Excess Producer Milk - Class I		-	-	-	
Excess Producer Milk - Class II		1,497,230	$3.03	$45,366.07	
Total Excess Producer Milk		1,497,230	3.03	45,366.07	
Less Prod.-Settlement Fund Res. @ 4¢		1,497,230	.04		598.89
UNIFORM EXCESS PRICE f.o.b. PLANT - 4%		1,497,230	2.99		44,767.18
Value of Base Milk (Total less Excess)		10,619,511	4.715358		500,748.01
Less Producer-Settlement Fund Reserve		10,619,511	.045358		4,816.80
UNIFORM BASE PRICE f.o.b. PLANT - 4%		10,619,511	$4.67		$495,931.21

JUNE 1959 MINIMUM PRODUCER PRICES CWT f.o.b. CHATTANOOGA POOL PLANT
BUTTERFAT DIFFERENTIAL 7.2¢ PER POINT (EXCLUDES PREMIUMS)

TEST %	PRICE		TEST %	PRICE		TEST %	PRICE	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0%	$3.95	$2.27	4.0%	$4.67	$2.99	5.0%	$5.39	$3.71
3.05	3.986	2.306	4.05	4.706	3.026	5.05	5.426	3.746
3.1	4.022	2.342	4.1	4.742	3.062	5.1	5.462	3.782
3.15	4.058	2.378	4.15	4.778	3.098	5.15	5.498	3.818
3.2	4.094	2.414	4.2	4.814	3.134	5.2	5.534	3.854
3.25	4.13	2.45	4.25	4.85	3.17	5.25	5.57	3.89
3.3	4.166	2.486	4.3	4.886	3.206	5.3	5.606	3.926
3.35	4.202	2.522	4.35	4.922	3.242	5.35	5.642	3.962
3.4	4.238	2.558	4.4	4.958	3.278	5.4	5.678	3.998
3.45	4.274	2.594	4.45	4.994	3.314	5.45	5.714	4.034
3.5	4.31	2.63	4.5	5.03	3.35	5.5	5.75	4.07
3.55	4.346	2.666	4.55	5.066	3.386	5.55	5.786	4.106
3.6	4.382	2.702	4.6	5.102	3.422	5.6	5.822	4.142
3.65	4.418	2.738	4.65	5.138	3.458	5.65	5.858	4.178
3.7	4.454	2.774	4.7	5.174	3.494	5.7	5.894	4.214
3.75	4.49	2.81	4.75	5.21	3.53	5.75	5.93	4.25
3.8	4.526	2.846	4.8	5.246	3.566	5.8	5.966	4.286
3.85	4.562	2.882	4.85	5.282	3.602	5.85	6.002	4.322
3.9	4.598	2.918	4.9	5.318	3.638	5.9	6.038	4.358
3.95	4.634	2.954	4.95	5.354	3.674	5.95	6.074	4.394

SUMMARY OF CHATTANOOGA MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES Per Hundredweight: Uniform	Base	Excess	Bf.Dif.	HANDLER CLASS PRICES: Class I Cwt.	Class I Bf.Dif.	Class II Cwt.	Class II Bf.Dif.
June '58	$4.33 2/	$4.48 1/	$2.95	7.2¢	$4.96 1/	7.5¢	$2.99	6.6¢
July	4.48 2/	4.62 1/	3.01	7.2	4.95 1/	7.5	3.05	6.6
Aug.	4.59 1/	-	-	7.2	5.06 1/	7.5	3.10	6.7
Sept.	4.77 1/	-	-	7.4	4.96 1/	7.6	3.45	6.9
Oct.	4.86 1/	-	-	7.6	5.14 1/	7.8	3.36	6.7
Nov.	4.88 1/	-	-	7.4	5.23 1/	7.6	3.35	6.7
Dec.	4.80 1/	-	-	7.2	5.17 1/	7.5	3.46	6.9
Jan. '59	4.88 1/	-	-	7.4	5.21 1/	7.8	3.33	6.6
Feb.	4.79 1/	-	-	7.2	5.18 1/	7.5	3.21	6.6
Mar.	4.67 2/	4.82 1/	3.11	7.2	5.21 1/	7.5	3.15	6.6
Apr.	4.49 2/	4.74 1/	3.04	7.2	5.12 1/	7.5	3.08	6.7
May	4.36 2/	4.59 1/	2.99	7.2	4.97 1/	7.5	3.03	6.7
June	4.46 2/	4.67 1/	2.99	7.2	5.05 1/	7.5	3.03	6.7
July	-	-	-	-	5.10 1/	7.5	-	-

SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS: Mid-West Cond. $-cwt-3.5%	Chi.92° Butter ¢ Lb.	Chi.Area Powders ¢ Lb.	Wisc. Cheese ¢ Lb.	ALTERNATIVE FORMULAS ($-cwt-4%): Mid-West Cond.	Butter Cheese	Butter Powder	4 Tenn. Milk Mfg.	Highest or Basic Formula $-cwt-4%
June '58	2.890	57.750	12.425	31.750	3.25	3.14	3.30	2.99	3.30
July	2.921	57.750	12.545	31.750	3.28	3.14	3.33	3.05	3.33
Aug.	2.960	58.137	12.640	31.770	3.32	3.16	3.35	3.10	3.35
Sept.	2.995	60.250	12.635	32.062	3.37	3.26	3.45	3.11	3.45
Oct.	3.040	58.364	12.685	32.700	3.42	3.18	3.36	3.14	3.42
Nov.	3.054	58.016	12.780	32.094	3.42	3.16	3.35	3.18	3.42
Dec.	3.071	60.330	12.705	31.688	3.43	3.25	3.46	3.21	3.46
Jan. '59	3.062	57.744	12.680	31.750	3.43	3.14	3.33	3.21	3.43
Feb.	3.060	57.743	12.695	31.750	3.42	3.14	3.33	3.21	3.42
Mar.	3.014	57.750	12.720	31.750	3.37	3.14	3.33	3.15	3.37
Apr.	2.952	57.840	12.615	31.596	3.31	3.14	3.34	3.08	3.34
May	2.918	57.905	12.800	31.100	3.28	3.14	3.34	3.03	3.34
June	2.908	57.974	12.600	31.000	3.27	3.14	3.35	3.03	3.35

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS POUNDS MILK 3/: Gross Cl. I	Prod. Cl. I	Prod. Rcpts.	Base Rcpts.	Gross Rcpts.	Number of Hdlr.	Number of Prod.	Deliveries Per Farm -- Pounds: Prod.	Base	Exc.	Prod. Milk Test %
June '58	288,811	265,772	382,696	344,531	411,822	21	787	486	438	48	4.11
July	299,494	276,327	359,507	328,120	389,291	21	782	460	420	40	4.16
Aug.	323,673	297,905	383,592	-	414,637	21	781	491	-	-	4.11
Sept.	374,368	347,589	392,411	-	426,999	21	779	504	-	-	4.17
Oct.	370,590	345,910	395,523	-	426,160	20	777	509	-	-	4.36
Nov.	355,410	328,935	392,877	-	425,836	20	768	512	-	-	4.43
Dec.	337,125	310,803	389,617	-	424,678	20	764	510	-	-	4.51
Jan. '59	362,182	334,475	388,058	-	423,437	20	761	510	-	-	4.46
Feb.	341,115	310,826	378,445	-	415,886	20	755	501	-	-	4.32
Mar.	332,287	301,533	399,983	365,323	434,812	20	749	534	488	46	4.27
Apr.	340,973	309,923	443,709	376,673	479,892	19	743	597	507	90	4.14
May	328,965	299,376	433,529	370,983	469,066	19	742	584	500	84	4.13
June	319,460	289,800	403,891	353,984	439,618	19	738	547	480	67	4.11

1/ Excludes Premium. 2/ For statistics only

3/ Other Source is Gross minus Producer; Class II is receipts minus Class I; Excess Receipts is Producer minus Base